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COMMISSION STAFF WORKING DOCUMENT

Accompanying document to the
Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
laying down Community procedures for the establishment of residue limits of pharmacologically active substances in foodstuffs of animal origin, and repealing Regulation (EEC) No 2377/90

IMPACT ASSESSMENT

{COM(2007) 194 final}
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1. SECTION 1: PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

The impact assessment was prepared by DG Enterprise and Industry without involvement of a steering group because of the highly technical character of the issues at stake which are not of cross-cutting nature and are of limited importance for other services, except DG Health and Consumer Protection. Furthermore, the main steps of the assessment were conducted before the entry into effect of the guidelines on impact assessment introducing the concept of a steering group. Nevertheless, the main steps of consultation and gathering of input was done in close collaboration with DG Health and Consumer Protection, and other services with a more limited interest were informed and were given the chance to comment. The preparation of the impact assessment started in 2003 leading to a reflection paper on residues in food dealing with the functioning of the legislation and controls of maximum residue limits. The publication of this paper was followed by different rounds of consultations which covered the period December 2003 to July 2005.

This Impact Assessment is based primarily on:

- Experience with existing EU legislation on residues of veterinary medicinal products intended for food producing animals, in foodstuffs of animal origin;

- Consultation with stakeholders;

- Published literature on scientific, economic and regulatory aspects of the availability, of veterinary medicinal products intended for food producing animals and the control of residues of veterinary medicinal products in food intended for human consumption.

The consultation of stakeholders has included:

- Public consultation on a Reflection Paper, followed up by the publication of the Summary of comments received
• Roundtable meetings with Competent Authorities of Member States
• Working Groups meetings of Experts of Member States authorities
• Stakeholders’ interviews.

The chronology and the stages of consultations is given in Annex 1.

The detailed results and input from the consultation are incorporated in the following chapters concerning the specific policy options. Nevertheless, the main stakeholders views expressed in the consultation were as follows:

1.1. The animal health professionals: farmers and veterinarians

These professional groups expressed that they are concerned by the lack of available veterinary medicinal products. As in the Community, in accordance with Article 12 of Directive 2001/82/EC, the MRL application is a prerequisite to any marketing of a veterinary medicinal products for food producing animals, the lack of MRLs for the animal species in question will lead to a lack of an authorised veterinary medicinal product. This would leave veterinarians with the only alternative to administer veterinary medicinal products “off-label” in accordance with the provisions of Article 11 of Directive 2001/82/EC (so called “Cascade provisions”).

Nevertheless even in those cases, it is necessary that “the pharmacologically active substance included in the veterinary medicinal product are listed in Annex I, II, or III of Regulation (EEC) N°2377/90 and that the veterinarian specifies an appropriate withdrawal period in order to ensure final consumer protection for the foodstuffs concerned”.

Consequently it is appropriate to ensure that as many pharmacologically active substances as possible would be assessed and classified based on the draft proposal revoking Council Regulation (EEC) N°2377/90. This position is fully reflected in the draft legal proposal and the specific objective to ensure availability is mentioned in Article 1.

1.2. The consumers

Consumers stressed that foodstuffs of animal origin should not contain residues of veterinary medicinal products capable of representing a health risk to the consumer. Consumer health protection is the general objective of this proposal and the overall aim mentioned in Article 1.

1.3. The veterinary pharmaceutical industry

Given the time to develop new products and the need to anticipate and define medium and long-term economic impact, the veterinary pharmaceutical industry is economically unsure to invest in MRL studies for substances that do not ensure a real return on investment. Only the markets that have enough economic or strategic attraction will justify the investments of collating the data to be presented in an MRL application and then a Marketing authorisation for the veterinary medicinal product for the given food producing animal. It is the view of the veterinary pharmaceutical industry that the detailed measures to overcome availability problems as described in option 2 should contribute to strengthening the incentives for the veterinary pharmaceutical industry thereby fostering investment in the development of new medicinal products.
1.4. The competent authorities

As MRLs are set at Community level following the so-called “comitology” procedure, the competent authorities are deeply involved in their adoption and also in their enforcement when controlling residues in foodstuffs of animal origin for intra-community trade or at the border inspections posts for foodstuffs imported from third countries. Clarity of rules is a precondition for the functioning of these controls.

The reference points for controls of food to be established for the entire Community will address the request for clarity in this field.

2. SECTION 2: PROBLEM DEFINITION:

What issues is the proposal expected to tackle?

2.1. Why is it necessary to set Maximum Residue Limits?

Residues of pharmacologically active substances used to treat animals are a worldwide public health concern and a leading cause of trade problems internationally. Contamination may occur through the intentional use of various chemical substances such as pesticides, feed additives or veterinary medicines. Indeed, the use of veterinary medicinal products in food producing animals may result in the presence of residues in food derived from these animals that can be toxic to humans ingesting the related foodstuffs.

Consequently, since the mid 1960s, national competent authorities have imposed additional safety requirements for veterinary medicinal products intended for food producing animals and established Maximum Residue Limits (so called “MRLs”) which represent the level below which the residues arising from veterinary medicinal products that might be present in the foodstuffs produced by the treated animal can be regarded as not representing a risk to the consumer. In order to facilitate the uniform scientific assessment of residues and to avoid barriers to the free movement of foodstuffs of animal origin, the Council adopted on 26th June 1990 Regulation No 2377/90 laying down Community procedure for the establishment of maximum residue limits for veterinary medicinal products in foodstuffs of animal origin.

Allocating MRLs for substances has a twofold aim. First, it helps to determine withdrawal periods in the context of granting marketing authorisations for veterinary medicinal products. A withdrawal period is the waiting time after the last administration of the product during which the animal must not be slaughtered or during which milk, eggs or honey must not be taken for human consumption, ensuring that residues will not exceed the MRLs. But they also constitute points of reference for residue control of food of animal origin. Food that contains residues non-compliant with the limits established in Regulation 2377/90 is considered unfit for human consumption.

2.2. How are MRLs set?

The process by which a Community MRL is established for a pharmacologically active substance start on the basis of an application by a manufacturer to the European Medicines

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Agency (EMEA) established by Regulation No 726/2004\(^2\). The Committee for Medicinal Products for Veterinary Use (CVMP) at the EMEA, assesses the data contained in the MRL application and finally in its opinion addressed to the Commission recommends inclusion of the given active substance in one of the annexes to Regulation No 2377/90, with or without an MRL related value.

- If an MRL has been definitely established, the substance is included in **Annex I** of Regulation 2377/90;

- If it appears that it is not necessary for the protection of public health to establish a MRL, the substance is included in **Annex II** of Regulation 2377/90;

- A provisional MRL can be set for a period of time not exceeding five years. The substances concerned are included in **Annex III** of the above mentioned Regulation;

- If MRL can not be established for a given substance because its residues in food constitute at whatever limit a hazard to the health of the consumer, the substance is completely prohibited for use in veterinary medicinal products for food producing animals. Such substances are listed in **Annex IV** of the Regulation.

### 2.3. Implementation of the MRL regulation and related problems

During the period from 1992 to January 2005 over 700 “old” substances (authorised by at least one Member State before Reg 2377/90 came into force on 1 January 1993) were reviewed and applications concerning 58 “new” substances and 87 extensions and modifications have been submitted to the CVMP; MRLs recommendations for inclusion in Annex, I, II or III were made for 645 substances in total. 115 substances were recommended for inclusion in Annex I of Regulation 2377/90, 513 in Annex II and 6 remain currently in Annex III. For 11 substances it was considered that their residues, at whatever limit, in foodstuffs of animal origin constitute a hazard to the health of the consumer, and they have been placed in Annex IV. For 40 substances, the CVMP was unable to make a recommendation for inclusion in any of the annexes and for further 57 substances the applicants withdrew their applications after the receipt of the list of questions.

Despite the obvious success of the Community procedure for the establishment of MRLs, Regulation 2377/90 had also impacted the availability of veterinary medicinal products for food producing animals. And that consequence was indeed not foreseen at time of adoption of the regulation.

Since 1 January 2000, at the end of the transitional period foreseen in Regulation 2377/90, existing marketing authorisations for food producing animals containing substances not included in Annexes I, II or III had to be withdrawn. More than **100 pharmacologically active substances used in veterinary medicines for many years were then prohibited for all foodstuff-producing animal species throughout the Community**. Consequently some diseases can not be treated anymore with authorised veterinary medicinal products because of primarily a lack of Community MRLs.

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Indeed in accordance with provisions of Article 6 of Directive 2001/82/EC³ “a veterinary medicinal product may not be the subject of a marketing authorisation for the purpose of administering it to one or more food producing species unless the pharmacologically active substances it contains appear in Annexes I, II or III to Regulation (EEC) No 2377/90.” In short term, if no MRL application is submitted, assessed and established, then the first necessary step to further apply for the granting of a marketing authorisation for a veterinary medicinal product for food producing animals is missing and no new veterinary medicinal product for food producing animals may be authorised. Consequently, no new medicinal product may be placed on the Community market without prior assessment and classification based on an MRL application.

MRLs applications are part of the so called “defensive” Research and Development activities (so called “R&D”). According to Fedesa study⁴, companies operating in Europe currently spend circa 35% of their total R&D budgets on “defensive R&D” whereas companies in the USA spend 16-17% of their budgets on defensive R&D. Moreover, residues studies would represent 7% of the total costs for developing a new veterinary medicinal product. This being to case, the veterinary pharmaceutical industry no longer finds it sufficiently attractive to invest in medicinal products targeting species or therapeutic conditions representing only small market segments. The problem became even more acute for a large number of previously used veterinary products before the entry into force of Regulation 2377/90: because of the costs of MRL studies, the legislative and scientific page was turned for “old” substances. In most cases this was because inadequate information had been submitted by manufacturers, and their lack of interest in carrying out the necessary additional research.

In the absence of MRLs and authorised medicinal products, other products or substances of unknown consumer safety could be illegally used. The reduction of the available veterinary medicinal products in food producing animals could thus result in an increase of illegal use of active substances.

2.4. The residue control system: lack of points of reference for food control purposes

Regulation 882/2004⁵ is the framework Community legislation on food control. Additionally Directive 96/23/EC⁶ contains specific requirements, in particular for the control of pharmacologically active substances that may be used as veterinary medicinal products in food producing animals. This includes primarily sampling and investigation procedures, requirements on the documentation of use, indication for sanctions in case of non-compliance, requirements for targeted investigations and for the establishment and reporting of monitoring programmes. Directive 96/22/EC⁷ prohibits or restricts the use of certain substances in food

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⁴ Fedesa “An analysis of published MRLs, are species specific MRLs warranted ?”, Fedesa, June 1999.
⁶ Directive 96/23/EC on measures to monitor certain substances and residues thereof in live animals and animal products. OJ L 125, 23.05.1996, p. 10
producing animals to specific purposes only; moreover Decision 1999/879/EC prohibits the use of bovine somatotropin in animal health.

According to Directive 96/23/EC, the maximum residue limits established in Regulation (EC) n° 2377/90 are "tolerances" to be applied in food control. Regulation (EC) n° 2377/90 provides such tolerances or points of reference in form of maximum residue limits (MRLs) in the cases where the substance is included in Annexes I or III, but does not provide food control services with points of reference in the following cases:

- A finding of residues of a substance listed in Annex II in food of animal origin. However, substances that do not present a hazard if used correctly may be used incorrectly and potentially lead to harmful residues. A particular group of substances are substances produced by the animals themselves (endogenous substances).

- A finding of residues of a substance not listed in Regulation (EC) n° 2377/90 because an application for the evaluation of residues was never presented or it was not possible to conclude the evaluation procedure with a favourable opinion. A particular case in this class are residues of substances not included in products having a marketing authorisation in the Community for food producing animals, which may be detected in food imported from third countries, where these products may be authorised. This may be because in other regions different diseases or target species prevail or that companies have chosen not to market a product in the Community.

- A finding of residues of a substance listed in Annex IV in food of animal origin. These substances were classified in Annex IV because their evaluation revealed that residues of these substances in food constitute at "whatever limit a hazard to the health of the consumer". In consequence, food containing the smallest amount of these residues is considered unfit for human consumption.

- A finding of residues of a substance in species or food commodities for which no MRL was established. However, such use may be in line with off-label use in accordance with Article 11 of Directive 2001/82/EC in exceptional circumstances.

In such cases, control authorities have difficulties to decide on compliance. The only safe ground for food inspectors is to apply a policy of "zero tolerance". In practice zero tolerance means not detectable with the method employed and is therefore determined consistent with the competence of the laboratory in charge. Laboratory competence and therefore the actual amount of residues "zero tolerance" is associated with, has varied within and between Member States. Commission Decision 2002/657/EC introduced Minimum Required Performance Limits (MRPLs) intended to promote harmonised implementation of Directive 96/23/EC for substances for which no permitted residue limit has been established.

Moreover veterinary medicinal products not having a marketing authorisation in the European Community but authorised in other countries are prohibited even if non-authorisation in the Community does not necessarily indicate that the use of these substances is not safe. Any

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8 Decision 1999/879/EC concerning the placing on the market and administration of bovine somatotrophin (BST) and repealing Decision 90/218/EEC. OJ L 331, 23.12.1999, p. 71
amount of residue found is considered non-compliant and many third countries perceive this requirement as non-proportionate.

In order to harmonise the approach for imports, Commission Decision 2005/34/EC laying down harmonised standards for the testing for certain residues in products of animal origin imported from third countries was adopted. It establishes that the MRPLs are used as reference points for action at border inspection. In contrast to MRLs, MRPLs are control tools based on expert advice on feasibility of controls, an “other legitimate factor” in risk analysis (see Article 6 of Regulation (EC) n° 2002/178/EC ‘Food Law’).

In the minutes of the Standing Committee for the Food Chain and Animal Health of 21 September 2004, the Commission and the Member States agreed to apply this approach, with the necessary changes, to food of animal origin produced within the Community. This statement also called for the Commission, as a follow-up to the Reflection Paper on Residues in Food of Animal Origin published by the Commission services in 2003, to consider this in the envisaged revision of the Community residue legislation. Member States called in particular for the establishment of a procedure to set reference points for action that would allow recourse to a scientific evaluation of the limits based on expert advice on feasibility of controls.

3. **SECTION 3: OBJECTIVES**

3.1. **General policy objective**

The general policy objective is to continue to limit consumer exposure to pharmacologically active substances intended to be used in veterinary medicinal products for food producing animals and residues thereof in foodstuffs of animal origin through Community procedures. Nevertheless the proposal should ensure maintenance of a high level of consumer health protection while not compromising availability of veterinary medicinal products in the Community. At the same time, the proposal should contribute to simplification of legislation by improving the readability and clarity of the Regulation in line with the better regulation strategy of the Commission.

3.2. **Specific objectives**

In order to achieve the aim pursued, the following specific objectives have to be born in mind:

- Improve availability of veterinary medicinal products for food producing animals in order to ensure animal health and welfare and avoid illegal use of substances;

- Simplify the existing legislation by enhancing readability of the provisions on established MRLs for the end-users (i.e. animal health professionals, control competent authorities in Member states and third countries);

- Provide clear references for the control of residues of pharmacologically active substances in foodstuffs to improve consumer health protection and the functioning of the Single Market;

- Clarify the Community procedures establishing Maximum Residues Limits (MRLs) by ensuring consistency with international standards (i.e. separation of provisions on risk
analysis and risk management procedure to take over an international standard once adopted);

4. **SECTION 4: POLICY OPTIONS AND THEIR COMPARISON**

Different policy approaches were considered and discussed with interested parties during the preparatory phase leading to this proposal. On the basis of the different problems identified and the objectives set out above, the Commission first defined and discussed different regulatory tools in order to achieve the above mentioned objectives. The potential impacts of the different specific options intended to constitute the key measures of the proposal were then discussed.

4.1. **Option 1: Status quo**

The main advantage of that option is that everything remains unchanged and stable. All users within or outside the Community will continue to work with the same legal framework knowing their advantages and deficiencies.

The main disadvantages of maintaining the status quo would be the following:

1. **Existing availability problems would be unresolved.**

Community competent authorities already apply to a limited extent the principle of extrapolation as developed in guidance\(^\text{10}\). Indeed, the Committee on Medicinal Products for Veterinary Use (CVMP) defines MRLs for certain species by extrapolation from those established for others. Extrapolation of existing MRLs aims at expanding the number of species benefiting from MRLs in respect of species whose economic importance is limited. Extrapolation is implemented within species families. It means that, if a substance is already included in Annex I or Annex III of Regulation 2377/90 for one particular species, this substance can be included in Annex I or III of the same Regulation with similar MRLs for other species in the same class:

<table>
<thead>
<tr>
<th>Species for which MRLs have been set</th>
<th>Extrapolations to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>cattle or sheep</td>
<td>All ruminants</td>
</tr>
<tr>
<td>cattle milk or sheep milk</td>
<td>All ruminant milk</td>
</tr>
<tr>
<td>Major monogastric mammal</td>
<td>All monogastric mammals</td>
</tr>
<tr>
<td>Chicken and eggs</td>
<td>Poultry and poultry eggs</td>
</tr>
<tr>
<td>Salmonidae</td>
<td>All fin fish</td>
</tr>
<tr>
<td>Either a cattle/sheep or a major monogastric mammal</td>
<td>Horses</td>
</tr>
</tbody>
</table>

**Figure 1: Extrapolation within classes of animals.** Source: European Commission, Enterprises and Industry Directorate-General “Volume 8 Notice to applicants and note for guidance” June 2003.

Besides, the same extrapolation principle is implemented for **all food producing animals** providing that there are similar (or slightly different) MRLs established for **three** species as follows:

\(^{10}\) European Commission, Enterprises and Industry Directorate-General “Volume 8 -Notice to applicants and guideline ” version October 2005, p. 61-62.

• cattle or sheep;
• pigs;
• chicken or poultry.

The extrapolation is considered by the Commission as the most effective solution to reduce data requirements for industry and then encourage the development of new veterinary medicines while ensuring a high level of health protection. The extrapolation policy applied currently is not clearly mentioned in the legislative basis although applied in practice. The limited and unclear extrapolation policy is one major cause for the availability problem which can not be addressed in the existing legal framework.

Indeed, the current legislative framework is seen as a major obstacle to the marketing of new medicinal products. The Fedesa study estimates that, over the ten-year period between 1991 and 2001, veterinary pharmaceutical companies in Europe consider that regulations have increased the average time needed to develop a major product by over four years for major livestock species whereas in the USA, this increase is only two and a half years. As a consequence, it is estimated that, over time, the current situation will have further negative effects on the number and type of product developments investments undertaken by animal health companies.

Another negative impact of the existing legal situation on the pharmaceutical industry is the estimated development cost. A Fedesa study estimates that, in the opinion of companies in Europe, regulatory factors have caused the average cost of developing a major new product to increase by the equivalent of 113% in real terms between 1991 and 2001. In contrast, regulations in the USA are reported to have caused a less increased average cost for new products developments than in Europe (56%).

Obviously, it is important to note that the MRL Regulation is not the only legal text considered as an obstacle but this regulation is considered by industry to contribute significantly to the low innovation investment in Europe in livestock product development. The European veterinary pharmaceutical companies believe that environmental regulations and MRL Regulation have the greatest negative impact on their ability to innovate.

If the status quo would be maintained, there would still be a lack of application for specific small markets for veterinary medicinal products intended for food producing animals, thus continuing to endanger public health and animal health and welfare in the Community. Illegal application of substances is a problem linked to the lack of suitable authorised products. The risks to public health are obvious.

2. Consistency with international standards is not promoted

The Community has signed the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) which refers to Codex Alimentarius as the international organisation setting MRLs for residues of veterinary drugs.

With respect to imports, Codex standards have to be either observed or rebutted. In order to avoid an unlevelled playing field (unfair conditions) for EU producers and to provide legal clarity for food control, Codex MRLs should be integrated in the Community residue system where possible. Moreover Article 13(e) of Regulation 178/2002 requires the Community to “promote consistency between international technical standards and food law while ensuring that the high level of consumer protection adopted in the Community is not reduced”.

On the basis of recital (4) of Regulation (EEC) N°2377/90, when conducting its risk assessment on substances, CVMP/EMEA already takes into account “other scientific assessment of the safety of the substances concerned which have been undertaken by international organisations in particular Codex Alimentarius”. Indeed when they exist, Codex MRLs and JEFCA assessment reports are reported in the Summary Report provided by the CVMP/EMEA. However, there is no automatism to take over Codex MRLs in the Community, even the Community has supported the adoption of that MRL in Codex. This fact leads to a cumbersome resubmission of documents by industry, re-evaluation by the EU scientific committee and possibly even an opinion deviating from the international standard.

An important consequence of the status quo is obviously the persistence of possible discrepancies between Codex MRLs and Community MRLs. This situation has a negative impact on the level of competitiveness for the pharmaceutical industry and agricultural sector. Indeed, such discrepancies constitute a strong disincentive for companies to market new products, as they will need anyhow to submit an application for establishment of Community MRLs even if Codex MRLs are being set at international level.

The fact that the EU may not take over Codex MRLs is not in favour of predictability for pharmaceutical companies. This prevents them to invest in studies for the European market. For the European agricultural sector, it represents an unfair competition compared to third countries. A high administrative burden and delays in the authorisation of products are the other automatic consequence of the existing situation, with negative economic consequences.

3. Lack of harmonised imports controls for food

In the current situation, the zero tolerance approach implies that all residues of substances not authorised for use in the Community found in food are considered non-compliant. This approach has been applied in the past but has been put into question through the continuously improving sensitivity of methods of analysis and the difference of capability between laboratories. The improvements resulted in ever lower amounts of residues detected. According to the experience made, this approach also results in a hunt for lower and lower limits for single substances. This causes significantly higher costs for the analysis of each sample and in consequence neglect of the control of other substances due to limited resources. This is counterproductive because the overall consumer safety is compromised.

Further, due to lack of harmonisation some Member States have set national 'action limits' for certain substances. This results in practice in a different application of Community legislation. Many stakeholders and third countries perceive this as arbitrary. Low limits are perceived as non-proportionate, high limits are perceived as unsafe. As a result, the entire single market framework is perceived as obstructive to trade and as fostering legal uncertainty.
The current situation of zero tolerance combined with certain national residue limits for import control purposes therefore leads to obstacles to trade and imports with no appropriate justification. Consignments of food might be rejected at an EU border inspection post while they are released for free circulation in the EU at another border post.

Furthermore, the current application of detection limits of laboratory analytical methods for control purposes is lacking a public health justification.

This option would therefore discard the need to improve the situation concerning control related problems. The need for setting reference point for controls of veterinary medicinal products not authorised for use in the Community would not be adequately addressed.

4. Continued lack of clarity and administrative burden

Following the stakeholder consultation, the current regulation is difficult to understand. In particular the different annexes categorising the active substances in function of their possible use have created irritation and lack of clarity in the day to day application of the regulation.

Veterinary practitioners and control personal have difficulties in establishing the legal situation in their daily practice as they have to go through four different annexes including footnotes to look for the maximum residue limits and restriction of use.

The risk of errors increases on the side of professional users of veterinary medicines and the side of the control personal of competent authorities. Such errors constitute a public health risk. Insofar maintaining the status quo results in a continued lack of clarity and readability of legislation combined with a public health risk. Furthermore, this option would result in an unchanged administrative burden:

- The pharmaceutical industry would have to produce the same data as now for fulfilling the requirements for the setting of a maximum residue limit for their new active substances.
- The scientific assessment by the Agency and its responsible committee would remain the same.
- The level of controls in the food sector would not be affected and remain stable.

In essence, the possibilities of reducing the administrative burden without legislative changes are very limited.


This option would address the shortcomings of the current situation by amending on substance the existing legal framework on maximum residue limits while leaving the overall system of setting maximum residue limits based on scientific assessment intact. The main changes proposed are the following:

- introduce the aim to ensure, for reasons of public health, animal heath and animal welfare, availability of veterinary medicines for food producing animals in the article on the general aims of the regulation;
• make the assessment of possibilities for extrapolation a compulsory part of the overall scientific assessment and create a legal basis for the Commission to lay down the principles for applying extrapolation;

• introduce an obligation to adapt Community legislation to include MRLs set by Codex with the support of the EU;

• create a specific legal framework to set maximum residue limits for pharmacologically active substances not intended to be authorised as veterinary medicines in particular for control purposes and for imported food;

• rearrange the sequence of articles in order to create a logical structure, differentiating in particular risk assessment and risk management provisions;

• integrate in one single annex of a separate Commission regulation the rules (MRLs, conditions of use, prohibitions) relating to individual substances, which are currently in 4 different annexes.

In view of the number and extent of the amendments on substances and the objective to simplify and to improve readability, the best way to pursue this option is a new regulation replacing the existing regulation N° 2377/90. The impact of such a new regulation would be as follows:

1. A new legal framework would be a tool to overcome existing availability problems of veterinary medicines.

Firstly, a new regulation would allow the explicit mentioning of ensuring availability as an aim of the regulation. Formulating this objective in an article on the aim of the regulation would provide an important horizontal reference for the application of the entire regulation. Secondly, the regulation could oblige the scientific committee assessing MRLs to consider the possibilities of using a MRL in one species for other species and for one foodstuff for another foodstuff. As mentioned above, this so-called “extrapolation” is already de facto practiced in certain cases by the scientific committee. In order to create a transparent science based and flexible framework for extrapolation, a legal basis for Commission guidelines fixing the major principles on how to apply extrapolation could be created under this option.

Veterinary pharmaceutical industry would benefit from that revised evaluation process that would strive to apply the principle of extrapolation. This should favour MRL applications and thus increase the number of marketing authorised for food producing animals.

During the consultation on the Reflection paper, the majority of the Members States and the veterinary pharmaceutical industry commented that a procedure for extrapolation of MRLs to additional species based on scientific principles should be legally introduced in the new proposal.

In view of this situation, it is important to legally enforce the need to take into account extrapolation principles, as it would entail that specific costs to obtain species specific data would decrease. According the European Animal Health Industry (IFAH-Europe -ex-Fedesa ) MRL studies represent a cost of average 17% of the entire defensive R&D which means, in the example of an injectable antibiotic €500 000. This figure has to be balanced with the sales for such a product and it was estimated that the average annual sales per product was €800 000. Even if these are rough estimations, it could be concluded that MRL studies constitute an important development cost potentially limiting applications for marketing authorisation. As a
consequence, extended MRL extrapolation, as far as possible to “all food producing species” and to “all tissues” would reduce significantly the cost of defensive R&D.

As the final cost of defensive R&D could decrease by average 17%, pharmaceutical companies should be able to invest more in applications for marketing authorisation of new veterinary medicinal products for food producing animals. The impact on the pharmaceutical industry is considered to be highly positive.

Actually, “off label” use is a particular reason for concern. According to results of Commission inspections, in several Member States the cascade is used as a permanent solution to address the poor availability of certain VMPs. This was not the use for which the cascade was intended. A concrete example is the lack of Community MRLs for honey and the exclusion of honey from the “cascade” posing problems for producers and regulators. It is notable that some Member States have established national MRLs for antibiotics in honey (DE – streptomycin) or have authorised the treatment of honey bees with tetracyclines under the cascade, subject to a strict withdrawal period being observed for honey (UK).

As a direct consequence, if an increased number of new veterinary medicinal products reached the Community market, the “off-label” use would most probably decrease. This would positively impact public health, animal health and welfare and accordingly favour the agricultural sector.

![Figure 2: Impact of areas of regulation on ability to develop new products in Europe (2001). Source: Fedesa “Benchmarking the Competitiveness of the European Animal Health Industry” 2002](image)

Increasing the number of authorised products for all food producing animals in particular for minor species is thereby improving public health, animal health and animal welfare. Nevertheless, extrapolation needs to be applied in a way that the MRL for species and tissues where no or few data exist, are limiting consumer exposure from pharmacologically active substances in a reliable manner. Scientific principles based on experience gathered in the past and on adequate safety margins should therefore be applied to extrapolation. As science is evolving rapidly and in view of the extreme complexity of the scientific area in question, these principles are best enshrined in a Commission Decision to be adopted following a Comitology procedure.
Under such circumstances, the overall health impact of a clear legal framework for extrapolation will be positive.

2. **Consistency with international standards is promoted**

The option of a new regulation entails that Codex MRLs that have been endorsed by the Community at the Codex Alimentarius Commission - even for substances not having EU MRLs yet - would automatically apply.

Indeed, if the Community endorsed those proposed Codex MRLs supported by a detailed justification of the specific risk profile without any reservations, Codex MRLs should be converted into EU legislation when there had been no MRL application in the EU. It means that the inclusion would be made without submission of an application (i.e. no data available) to EMEA/CVMP and thus without the necessity of specific scientific assessment of raw data, at European level.

The Commission proposal would significantly facilitate imports from third countries into the EU market, as once a Codex MRL has been set and endorsed by the Community without any reservation, it would automatically apply in the European Market without the need of duplicating the assessment. Respondents to the questionnaire considered the impact on imports from third countries as the major positive impact. Difficulties with third countries importing to the Community and minimise (or even avoid) World Trade Organisation litigations would also be overcome.

The impact on health and consumer protection of this option could be considered as a critical issue. Indeed, the Community would not have any access to raw data or supportive studies as JECFA does not keep data but returns them to sponsors after evaluation. The CVMP would in consequence not be able to reassess the raw data, if it disagrees with the JEFCA recommendation or if a new hazard is identified. As more than 800 substances have been evaluated and classified in one of the annexes of Regulation (EEC) N°2377/90 at Community level while only 50 substances have a Codex MRLs, it is important to note that CVMP has acquired considerable experience in risk assessment of MRL application.

In some cases, CVMP/EMEA scientific opinions differ from JECFA’s scientific opinions. Therefore, the Community and its scientific experts and committees should be involved intensively in the Codex process of setting MRLs. The Community should give support only where the scientific basis for an MRL being set by Codex is equivalent to that required in the Community. In order to maintain the high level of health protection in the Community while respecting international commitments, scrutiny of scientific assessment reports on MRLs need to be rigid and follow the same scientific principles as the EU assessment.

Furthermore, for substances that had already been assessed at EU level, it would be still possible to the Community to reserve its opinion on the adoption of the Codex MRLs on the basis of a detailed scientific justification. The detailed scientific justification would always be possible to develop as the EMEA would have an European application file.

For new substances that never have been assessed at EU level, it would be rather difficult for the Community to reserve its opinion on the adoption of the Codex MRLs on the basis of a detailed scientific justification as no application would be lodged in the Community. Nevertheless, if it is ensured that European scientific expertise is adequately represented in

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the JEFCA expert panel, the divergence of scientific views on the assessment of a given substance is minimised and avoids any need for the Community to stress its reservation at time of adopting Codex standards.

It can therefore be concluded that the Commission proposal would provide for maintaining the current level of health protection in the Community.

3. Clarity for the food industry ensured by harmonised residue levels for import controls for food

The experience acquired with the implementation of the Community legislation for the evaluation and control of residues highlights the need to set procedures for the establishment for reference points enabling and facilitating the control of residues.

It may be taken in consideration to set tolerances for imported products only. Member States have in the Standing Committee for the Food Chain and Animal Health of 21 September 2004 rejected a permanent approach to agree tolerances for import only, because this would discriminate against national/Community production.

The proposal is therefore to establish within the new regulation a Community procedure for the assessment and the establishment of reference points for control for those pharmacologically active substances not intended for use in veterinary medicinal products in the Community.

It is furthermore proposed to establish a Community procedure for the scientific assessment of pharmacologically active substances not intended for use in veterinary products in the Community but not covered by the above procedure for reference points for control. Indeed there might be cases where an applicant would not wish to market any veterinary medicinal product in the Community but would like that a safety and residue assessment for its substance should be done and potentially an MRL established. Third countries having authorised the use of that given veterinary medicinal product in their territory would benefit from that MRL although the given veterinary medicinal product would not be authorised for use in the Community.

Third countries might need to authorise those substances in their territory as different diseases or target animal species prevail for which the substance is need.

The economic impact of a harmonised system of control reference points established on scientific grounds would clearly remove existing trade obstacles and have a positive economic impact. The same applies to MRLs for active substances not included in a veterinary medicinal product.

Science based reference points for control should follow the same aim than MRLs and reduce consumer exposure. The consistent application of the same scientific principles while using existing Community exercise for MRLs will improve the level of health protection.

This option would allow to tackle at Community level the need to establish MRL or reference point for controls to ensure consumer health protection. Consequently, it should facilitate solving trade related issues as controls carried out by Member States would be harmonised and simplified. This would in particular apply to food imported from third countries.
4. Improved clarity and reduced administrative burden

The proposed option would also have a positive impact on new veterinary medicines development in Europe by creating a more transparent regulatory framework. Timelines for procedural management would be clearly fixed for all parties involved. International standards supported by the Community would be automatically recognised without the need to submit any specific application at Community level, and thus avoiding duplication of work. The development time and cost for new products should be accordingly reduced.

Animal health and welfare and consumer health shall benefit significantly by making legislation clearer and thus potentially improving compliance with legislative requirements.

Furthermore, the review of the MRL Regulation would also introduce more transparency for all end users. The compilation of all substances and their MRL related provisions in one Commission regulation replacing the existing four annexes would improve the readability and comprehension, in particular if sorted to the alphabet. Veterinarians should have access to a unique document collating all the necessary information on all substances evaluated as they are allowed to use in exceptional circumstances products for a food producing species without an explicit authorisation of this product (article 11 of Directive 2001/82/EC). Thereby simplification would help to improve availability of veterinary medicine for certain animal species or conditions. Equally third countries exporting foodstuffs of animal origin in the Community would benefit from that simplification and clarification of the Community requirements as compliance should get easier.

The administrative burden would be reduced by three factors:

– the absence of the need for a separate scientific assessment of active substances which have been assessed by Codex. The reduction would result on the one hand from the non-delivery of a full file including all requested data and on the other hand from the speeding-up of the process of authorising the veterinary medicine in question.

– the reduction of scientific data to be provided, if the scientific committee extends the application of extrapolation. Actually, as the new regulation would require the committee to consider extrapolation and to balance their decision on setting maximum residue limits with the need to ensure availability of medicines, broader use of extrapolation can be expected.

– the harmonisation of control standards for certain residues in food. Industry currently faces an unjustified burden by divergent control reference points in different Member States. The benefits of the common market can not be fully realised for this reason and also imports from third countries face unnecessary obstacles. Refusal of consignments or even destruction of goods cause drastic economic consequences for producers and traders, which could be avoided to a large extent with one single transparent reference point applied by competent authorities in all Member States.

4.3. Option 3: Replace Community legislation by guidelines

It might be also possible to simplify and lighten as much as possible the legislative requirements in order to possibly provide more flexibility to both competent authorities and to the industry. Competent authorities would work with industry to develop guidelines by which the industry could self-regulate.
When international standards already exist, then they would be followed. In any other case competent authorities and industry would have to agree on a bilateral basis the appropriate follow-up. This approach presents obvious advantages such as the decreased cost for pharmaceutical industries, Member States and Community authorities.

1. Public health risks would reduce consumer confidence while creating major problems for agriculture and the food industry.

The main disadvantage will be the total deregulation of the single market and most probably major discrepancies in veterinary medicinal products availability as well as discrepancies in level of safety of food of animal origin within the Community. Consumer confidence on meat and meat products is currently built on a single harmonised set of rules applied under the strict supervision of competent authorities. Self regulation could not assure a comparable level of harmonisation and enforcement. Experience in the past like the BSE or the Dioxin crisis demonstrate major economic losses in the food industry and the agricultural sector as a result of break-down of consumer confidence. Clearly, risks for consumer health would increase as a result of self regulation because there would be no comparable enforcement mechanism available ensuring the respect of adequate residue limits.

Furthermore, export markets would be lost because third countries would not accept self regulation as providing sufficient guarantees for the respect of their import standards.

For third countries exporting to the Community, they might potentially faced 25 different ways of handling active substances because of non harmonised procedures for assessing and managing the safety of consumer and thus 25 different potential actions at border inspections post for their products of animal origin.

2. Reduced administrative burden would be offset by costs of new enforcement mechanisms.

Of course, self regulation would reduce the administrative burden of industry in a radical way. Nevertheless, also a residue limit system based on self regulation would require an implementation system which could e.g. be carried out by an independent private body. Also this private body would require financing by industry and would have to request data as a basis for scientific assessments. Last but not least sampling of food would have to be organised independently from existing structures of competent authorities which take samples for other public health purposes. Duplication of structures and other inefficiencies would be unavoidable.

As an overall result, the positive result of a reduction of administrative burden would be offset by the enforcement mechanism to be created under a self regulatory system.

4.4. Comparing the options

Good regulations are an essential pre-condition for competitiveness and are critical to establishing and maintaining consumer confidence in the safety, quality and efficacy of the veterinary medicinal products. At Community level, regulations also provide a powerful stimulus to innovation because they facilitate entry into the Single market. According to Fedesa study, veterinary pharmaceutical industries consider that the regulatory framework creates significant benefits because it can:

− prevent of dangerous products from entering the market (39% of respondent companies);
− improve product quality (37% of respondent companies);
Reassure the public about the safety of animal health products (30% of respondent companies).

![Diagram showing areas of regulation]

**Figure 3: The benefits of regulation in Europe (2001).** Source: Fedesa “Benchmarking the Competitiveness of the European Animal Health Industry” 2002

Option 3 (self regulation) should be disregarded in view of this stakeholder feedback and the public health risks caused by the lack of mechanisms ensuring reliable implementation.

Option 1 should be disregarded because the stakeholder consultation and experience with the current legislative framework give a clear indication of a need for change. At the same time, experience demonstrates that the fundamental aim of the existing regulation – protection of public health – has been achieved with the basic instruments laid down in the regulation.

Nevertheless, unintended side-effects hamper the efficiency and effectiveness of the system, mainly due to the high costs for the provision of scientific data leading to availability problems and the lack of clarity of the legal act. These shortages cannot be addressed within the existing legal framework and option 1 is therefore disregarded.

The changes necessary to improve the functioning of the system and to overcome the unintended side-effects do not entail its fundamental overhaul. Nevertheless, a legal review gives the chance to develop the legal provision on other issues, namely to harmonise residue limits for imports and to promote consistency with international standards. Finally, the overall readability can be improved by clearer drafting and a new sequential order of articles.

To conclude:

The assessment of the different regulatory options shows that option 2 is the option which closely meets the objectives and purposes defined by the Commission. Simplification and consistency are some of the key tools put forward by the Commission to promote **Better Regulation for Growth and Jobs in the European Union**\(^\text{13}\). The Commission’s proposal

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\(^{13}\) See: http://europa.eu.int/comm/enterprise/regulation/better_regulation/simplification.htm
would ensure that Community legislation is clear, understandable, harmonised, up-to-date and user-friendly.

5. **SECTION 5: MONITORING AND EVALUATION**

5.1.1. *Monitoring indicators*

Some effects of the draft Regulation lend themselves to measurement. The following data could represent good progress indicators for the specific objectives:

- the number of new MRLs applications for veterinary medicinal products intended to be used for food producing animals in the Community;
- the number of MRL assessment where extrapolation principles to be developed in a guideline, have been used;
- the number of new marketing authorisations applications made and granted for species or indications where authorised products were lacking and the turnover of pharmaceutical companies marketing veterinary medicinal products for food producing animals in the EU market;
- the average cost and time of developing new veterinary medicinal products for food producing animals;
- the number of assessments for Community reference points for controls;
- the number of assessments for establishment of MRLs for substances used in veterinary medicinal products in third countries;
- Food and Veterinary Office (FVO) inspection reports on Member States and third countries’ compliance;
- the results of inspection of consignments by Member States at border inspection posts;
- the impact on the budget on the EMEA;
- the number of JECFA assessment of new active substances and new Codex MRLs adopted and incorporated.

These data would provide a robust measure of the impact of the draft Regulation in terms of stimulating development and authorisation of medicinal products for food producing animals. They would also provide some measure of the impact on competitiveness of the pharmaceutical industries and the agricultural sector. At the same time, some progress indicators are based on control measures by Member States’ competent authorities which will be carried out under specific Community legislation on food safety. The results of these measures will allow for concrete assessment of the level of compliance with the intended rules.

Ex-post evaluation should be undertaken 4 years after entering into force of the revised Regulation.
6. ANNEX 1

6.1. Public consultation

The Commission’s public consultation was split into two halves. The Commission published a Reflection Paper in December 2003 requesting comments on the various points raised for the reconsideration and modification of the Community legislation concerning residues of veterinary medicinal products. This paper analysed the reasons for the difficulties encountered in the application of the existing legislation and sought to propose alternative ways to achieve a high level of consumer protection coupled with continued availability and development of veterinary medicinal products for the European market and good functioning of the intra- and extra Community trade in food of animal origin. Comments on ten main questions were solicited in the Reflection Paper.

The Reflection Paper was published on the websites of Directorate General Enterprises and Industry and Directorate General Health and Consumer Protection of the European Commission in December 2003:

http://pharmacos.eudra.org/F2/mrl/index.htm;


Public consultation closed end of March 2003. Comments were received from over 40 sources including 12 Member States, the European Medicines Agency, one European association for the veterinary profession, the pharmaceutical animal health industry and its European association, the organisations of primary producers of foodstuff of animal origin, umbrella organisations of the European food industry as well as European organisations for particular types of food production (dairy, meat and sausages, fish, honey, dried fruit, nuts and spices), two countries outside the EU and a few individual persons. The comments were published in July 2004 in the same sites together with a summary of comments.

The vast majority of comments were related to residue monitoring and enforcement, including foodstuff imported from third countries, minimum requirement performance limits/zero tolerance and the structure and performance of the Community reference and control laboratories. The aspect of risk analysis, including differentiation of risk assessment and risk management and the scientific risk assessment process were also subjected to proposal for refinement. In addition, the issue of availability of veterinary medicinal products was also commented by some organisations, although these were largely related to the legislation on authorisation procedure for these products and not directly to the legislation on residues. The legislation relating to veterinary medicinal products has recently undergone a major revision and new provisions relating to incentives for the pharmaceutical industry and off-label use to permit better availability of veterinary medicinal products have been introduced. This aspect will nevertheless form a part of the considerations in the future discussions on revision of the Community legislation on residues.

6.2. Roundtable meetings

The Commission has held a series of meetings with stakeholders on the issue of residues of veterinary medicinal products intended for food producing animals in foodstuffs. Member States representatives and representatives of European bodies involved in the field of residues of veterinary medicines in food were invited to participate.
6.2.1. Member States meetings

Two large Member States meetings took place on 13 December 2004 and 11 July 2005. At the meeting on 13 December 2004 on the follow-up of the Reflection Paper on residues in food conceptual ideas for legislative amendments were discussed and it was agreed to continue the discussion in six expert Working Groups during spring 2005.

At the meeting on 11 July 2005, proposals for changes in the legislation on residues of pharmacologically active substances used in food producing animals identified by the six Working Groups were presented in a Discussion Paper for discussion with Member States representatives.

6.2.2. European bodies’s meeting

European bodies which sent comments on the Reflection Paper on residues in food were invited to a meeting on 18th July 2005. The following European organizations attended the meeting:

Association des Industries de Poisson de la CE/Comité Import/Export Poissons (AIPCE-CEP);
Association of Veterinary Consultants (AVC);
Association of Poultry Processors and Poultry Import and Export Trade (AVEC);
European Consumers’ Organisation (BEUC);
Comité Européen de liaison de Commerces Agro-alimentaires (CELCAA);
Confédération des Industries Agro-Alimentaires (CIAA);
Association of Meat Processing Industry (CLITRAVI);
Agri-Cooperation (COPA-COGECA);
European Fat Processors and Renderers Association (EFPRA);
European Natural Sausages Casings Association (ENSCA);
European Union of Dairy trade (Eucolait);
Retail, Wholesale and International Trade Representation to the EU (EUROCOMMERCE);
European Federation of Honey Packers and Distributors (FEEDM);
Fédération Européenne Fabricants Aliments (FEFAC);
Fédération Européenne Santé Animale et Sécurité Sanitaire (FESASS);
European Federation of the Trade in dried fruits, edible nuts, preserved food, spices, honey and similar foodstuffs (FRUCOM);
Federation Veterinarians of Europe (FVE);
Animal Health Industry (IFAH EU);
Federation of Organic Agriculture Movements (IFOAM EU);
Seafood Importers & Processors Alliance (SIPA);
European Livestock and Meat Trading Union (UECBV).
Proposals for changes in the legislation on residues of pharmacologically active substances used in food producing animals identified by the six Working Groups were presented in the same Discussion Paper than the one presented to the Member States representatives.

6.3. Working Groups

As mentioned before, Member States agreed to discuss changes in the legislative framework more specifically in 6 experts Working Groups. Each Working Group was composed with an average of 10 Member States experts who met one or two times between January and May 2005 in order to discuss respectively on the following items:

- Risk assessment
- Risk management
- Monitoring
- Enforcement
- Third country evaluation
- Community Reference Laboratories and methods of analysis

During the meetings, experts and the Commission staff representatives identified several key solutions intended to tackle the issues to be addressed in their general mandates.

6.4. Stakeholders interviews

In order to assess the impact of the different possible options, the Commission consulted stakeholders with questionnaires. They were requested to complete a specific questionnaire ranking the different potential solutions identified by the six expert working Groups. The questionnaire was sent to the working groups’ experts and to the above mentioned professional organizations’ representatives. They were asked to provide their assessment on the following areas:

- **HP CP**: the level of health protection and consumer protection in your country
- **PI**: the competitiveness of pharmaceutical industry in your country
- **AS**: the competitiveness of the agricultural sector in your country
- **AH AW**: the level of animal health and animal welfare in your country
- **TC**: imports from third countries to your country (here particular consideration of developing countries is necessary)
- **CMS**: the costs for Member State control services, agencies, laboratories etc…
- **EMS**: the effectiveness of Member State procedures, control services, agencies, laboratories etc…
- **CEC**: the costs for Community institutions, agencies etc…
• **EEC**: the effectiveness of Community procedures, institutions, agencies etc...

The impacts were evaluated with a distinction between a positive (+) or a negative (-) impact.

A semi-quantitative assessment was provided as follows:

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<thead>
<tr>
<th>Impact</th>
<th>Description</th>
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<tbody>
<tr>
<td>0</td>
<td>NO IMPACT will not have effect compared to the current system</td>
</tr>
<tr>
<td>+/- 1</td>
<td>LOW IMPACT will not necessarily have effect compared to the current system</td>
</tr>
<tr>
<td>+/- 2</td>
<td>MEDIUM IMPACT will have effect compared to the current system</td>
</tr>
<tr>
<td>+/- 3</td>
<td>HIGH IMPACT will have a major effect compared to the current system</td>
</tr>
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</table>

27 contributions were received.

7. **ANNEX 2**

7.1. **Glossary**

- **Acceptable daily intake (ADI)**: the estimate of the residue, expressed in terms of micrograms or milligrams per kilogram of bodyweight, which can be ingested daily over a lifetime without any appreciable health risk.

- **Codex Alimentarius**: The Codex Alimentarius Commission was created in 1963 by Food and Agriculture Organisation of the United Nations (FAO) and the World Health Organisation (WHO) to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Programme. The main purposes of this Programme are protecting health of the consumers and ensuring fair trade practices in the food trade, and promoting coordination of all food standards work undertaken by international governmental and non-governmental organizations.

- **CCRVDF**: Codex Alimentarius Committee for Residues of Veterinary Drugs in Foods

- **Daily food basket**: The standard type and amount of food of animal origin, which is consumed by a person on a daily basis.

- **JECFA**: The Joint FAO/WHO Expert Committee on Food Additives (JECFA) is an international expert scientific committee that is administered jointly by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO). It has been meeting since 1956, initially to evaluate the safety of food additives. Its work now also includes the evaluation of contaminants, naturally occurring toxicants and residues of veterinary drugs in food.

- **Maximum residue limits (MRLs)**: the maximum concentration of residue resulting from the use of a veterinary medicinal product (expressed in mg/kg or μg/kg on a fresh weight basis) which may be accepted by the Community to be legally permitted or recognised as acceptable in or on a food.
• **Minimum Required Performance Limits (MRPLs) of analytical methods**: the minimum concentration evidenced by an analytical method, to be used in a residues monitoring plan, for substances for which no permitted limit has been established; in particular, for those substances whose use is not authorized or is specifically prohibited in the Community (Commission Decision 2002/657/EC implementing Council Directive 96/23 concerning the performance of analytical methods and the interpretation of results).

• **Off-label use**: The use of a veterinary medicinal product NOT in accordance with its Summary of Product Characteristics; e.g, use in a non target animal species (“cascade” provision concerning the use in exceptional circumstance, see article 11 of Directive 2001/82/EC); use for a non indicated animal disease...

• **Residues of veterinary medicinal products**: all pharmacologically, toxicologically or microbiologically active substances, whether active substances, excipients or degradation products, and their metabolites which remain in foodstuffs obtained from animals to which the veterinary medicinal product in question has been administered.

• **Veterinary medicinal product**: Any substance or combination of substances having properties for treating or preventing disease in animals. Any substance or combination of substances which may be used in or administered to animals with a view either to restoring, correcting or modifying physiological functions by exerting a pharmacological, immunological or metabolic action, or to making a medical diagnosis.

• **Withdrawal period**: the period necessary between the last administration of the veterinary medicinal product to animals, under normal conditions of use and in accordance with the provisions of Directive 2001/82/EC, and the production of foodstuffs from such animals, in order to protect public health by ensuring that such foodstuffs do not contain residues in quantities in excess of the maximum residue limits laid down.